

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7211

BILL NUMBER: HB 1600

NOTE PREPARED: Jan 30, 2007

BILL AMENDED:

SUBJECT: County Court Fund.

FIRST AUTHOR: Rep. Espich

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ___GENERAL
DEDICATED
FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires a county to deposit court fees and other revenue in a county court fund instead of the county general fund. It provides that the court fund is otherwise funded by county property taxes and miscellaneous revenue. It directs the county to pay from the court fund certain costs related to court operations. It repeals the county user fee fund, the jury pay fund, and the county supplemental public defender services fund.

Effective Date: January 1, 2008; January 1, 2009

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: This bill's provisions will not take effect until January 1, 2009. This bill creates the county court fund from which court-related expenditures would be paid. This fund is subject to the current property tax maximum levy limits. No additional levy authority is created under this bill.

County expenditures for trial court operations would continue to be paid out of a combination of a county court fund and the county general fund.

This bill would have no net effect on the county general fund. Currently, the counties in 2005 reportedly spent \$184 M from a series of funds and the county general fund. As proposed, the county general fund would receive \$47.6 M less because court fee revenue from criminal, infractions, and juvenile cases would be deposited into the county court fund. However, the county general fund would be spending \$47.6 M less

on court expenditures because the same expenditures would be coming from the county court fund instead.

The following shows statewide expenditures reported in CY 2005 for trial court operations. Information on the amount that counties paid for community corrections operations, alcohol and drug programs, and court expenditures for the salaries of deputy prosecuting attorneys paid by each county was not available in published form. The amount that is deposited into pension trust funds as part of the transfer of court fees is expected to be minimal at most since almost all counties have established a separate pension fund for sheriffs and deputies. An actuary familiar with the sheriffs pension plans indicates that 89 counties fund their pension programs solely from a line item in the county budget, and another two counties fund all employee pensions through the Public Employees Retirement Fund. The transfer of court fee monies is an optional funding source for the pension trust fund, although it is seldom used.

<u>Expenditure Item for Trial Court Operations</u>	<u>Reported in 2005</u>
Judges' Salaries and Office Expenses.	1,530,949
Court Personnel Costs and Operating Expenses.	100,301,366
Adult Juvenile Probation.	53,826,308
Public Defenders.	24,106,274
Juror Fees.	4,493,556
Court-Established Alcohol and Drug Services Programs.	n/a
Community Corrections Expenses.	n/a
Salaries of Deputy Prosecuting Attorneys, Other than State-paid Deputies	n/a
Pension Trust Payments for a Pension Trust Established under IC 36-8-10.	<u>n/a</u>
Total Expenditures	184,258,453

Explanation of Local Revenues: Under current law, court revenue paid by criminal defendants that is retained by counties is deposited into one of four funds:

- County general fund
- County user fee fund
- County supplemental public defender services fund
- County supplemental adult probation services fee

Revenue generated by trial courts that was paid by civil litigants will continue to be deposited into the county general fund.

As proposed, the following revenue would be deposited into a county court fund in each county.

<u>Fee (To Be Deposited Into County Court Fund)</u>	<u>Currently Deposited In:</u>	<u>Reported in 2005</u>
Supplemental Public Defender Services	County Supplemental Public Defender Services Fund	\$2,078,224
County Share of Criminal Costs Fee	County General Fund	\$9,631,932
County Share of Infraction or Ord Violations Fee	County General Fund	\$36,094,369
County Share of Juvenile Costs Fee	County General Fund	\$1,900,980
Pretrial Diversion Program Fee	County User Fee Fund	\$5,994,943
Deferral Program Fee		\$7,764,646
Jury Fee		\$911,192
Informal Adjustment Program Fee		\$8,874,688
Jury Fee		
Marijuana Eradication Program Fee		
Alcohol and Drug Services Program Fee		
Law Enforcement Continuing Education Program Fee		
Drug Court Fee		
Reentry Court Fee		
Probation User Fees	County Supplemental Adult Probation Services Fee	\$16,865,465
Reported Revenue in CY 2005		<u>\$90,116,439</u>

State Agencies Affected: Department of Local Government Finance.

Local Agencies Affected: Trial courts; Office of prosecuting attorneys; Probation departments; Public defender office

Information Sources: *2005 Indiana Judicial Report*; Elaine Beatty, McCready & Keane, Actuaries.

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